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# NASA Procedural Requirements

**COMPLIANCE IS MANDATORY**

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## **Subject: NASA Equipment Management Procedural Requirements**

**Responsible Office: Logistics Management Division**

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## **Appendix H: Lost, Damaged, Destroyed, or Stolen Government Property**

**H.1 Purpose.** These requirements provide the administrative and procedural requirements for the survey of lost, damaged, destroyed, or stolen Government property. A survey is an administrative action whereby the loss, damage, destruction, or theft of Government property is documented, reported, and reviewed to determine pertinent facts, and the extent or absence of personal responsibility. A survey is also used to notify the Center Equipment Manager of the loss, damage, destruction, or theft of Government property and to support adjustments to the property records.

### **H.1.2 Applicability**

**H.1.2.1** This requirement is applicable to Government-owned property at NASA Headquarters and Centers when equipment accountability is the responsibility of the Government and the official records are maintained in the NASA PP&E System.

**H.1.2.2** These requirements are applicable and are used to review and provide recommendations for corrective action when there are repetitive or significant cumulative losses of, low value, administratively managed non-controlled Government property.

**H.1.2.3** These requirements have limited applicability to onsite contractors whose contracts operate under the Installation Accountable Government Property (IAGP) clause of NASA FAR 1852.245-71. The IAGP clause requires contractors to establish and adhere to a system of written procedures for compliance with the user's responsibilities. Such procedures include holding employees financially accountable, when appropriate, for the loss, damage, destruction, or theft of Government property.

Recommendations of the Property Survey Officer and the Property Survey Board are referred to the CO for final action.

H.1.2.4 These requirements do not apply to Government property held by a contractor or grantee outside a NASA Center whose records serve as the custodial property records and whose equipment is accountable under a NASA contract or grant. Absent the IAGP contract clause, the applicable contract or grant language from the FAR, the NFS, and/or the NASA Grants Guidance governs Government property held by contractors or grantees.

**H.2 General Policy.** A survey is an administrative action whereby the loss, damage, destruction, or theft of Government property is documented, investigated, and reviewed for the purpose of adjusting NASA property records and determining whether financial liability exists. A survey is initiated immediately after discovery that Government property has been lost, damaged, destroyed, or stolen. When theft is suspected, the Center Security Office is notified immediately regardless of the theft, loss, damage, or destruction occurred on or off Center. A copy of the Security Officer's investigative report and findings becomes part of the Survey Report when issued. When Government property is damaged or destroyed, a mishap investigation is conducted by the contractor per NPR 8621.1, NASA Procedural Requirements for Mishap and Close Call Reporting, Investigating, and Recordkeeping. When the property damage or destruction exceeds \$25,000 (Type C mishap or higher), the contractor is notified by the responsible NASA Center Safety Office and determines if NASA wants to investigate the mishap per NPR 8621.

#### H.2.1 Procedures for Submitting a Property Survey Report

H.2.2 When Government property becomes lost, damaged, destroyed, or stolen, the user or supervisor immediately notifies their property custodian. If theft is suspected, the user, supervisor, or property custodian notifies the Center Security Office immediately, regardless of whether the theft, loss, damage, or destruction occurred on or off Center. The user or the individual who last had possession of the property then prepares Part I of a Survey Report, NASA Form 598. After completion of Part I of the Survey Report, the user or individual who last had possession of the property submits the document to the division director through the responsible property custodian. If the user and/or the individual who last had possession of the Government property are unknown or no longer a NASA employee, it is the responsibility of the property custodian to complete Part I of the property Survey Report. With the implementation of the NASA PP&E System, NF 1602 (NASA Equipment Management System (NEMS) Transaction Document) is no longer used, and is not submitted to the Center SEMO with the Survey Report. The Center Equipment Manager leaves the block for "1602 Obtained" in Part III (Equipment Management Use Only) of NF 598 unchecked.

H.2.3 The division director (or the next higher level of management if the NASA employee is the division director) reviews the survey report(s) submitted by the user or the individual who last had possession of the Government property, specifies in Part II the corrective action that is proposed or has been taken to prevent recurrence, signs Part II of the Survey Report, and forwards it to the Supply and Equipment Management Officer through the property custodian.

#### **H.3 The Center Supply and Equipment Management Officer or designee shall:**

H.3.1 Verify or ascertain the value of the lost, damaged, destroyed, or stolen

Government property and authorize the processing of a deactivation of the EMR in NASA IAM PP&E System, as appropriate. The value of the damaged or destroyed property is recorded in the NASA IRIS.

H.3.2 Ensure maintenance of a property Survey Report Register. Each report is assigned a number and entered in the register upon initial receipt. All documents pertaining to a Survey Report are identified with the report number.

H.3.3 Refer Survey Reports to either the Property Survey Board or the Property Survey Officer, as appropriate.

H.3.4 Ensure follow-up on the recommendations arising from the property survey process for adequate internal control.

H.3.5 Forward a copy of all reports initiated on items valued at \$100,000 or more to the NASA Headquarters, Director, Logistics management Division.

**H.4** In cases of damage, appropriate technical personnel of the Agency assist in developing repair cost estimates which are included as part of the report. All lost, damaged, destroyed, or stolen NASA-controlled property with a total acquisition cost greater than \$5,000 are referred by the Property Survey Officer to the Property Survey Board for investigation and disposition. Investigations are thorough but consistent with the item classification, acquisition value, and the probability of individual negligence or misconduct. Government property surveyed as lost or stolen, but found later, is reinstated in the NASA PP&E System.

## **H.5 Time Limit on Submitting Survey Reports and Completing Action**

H.5.1 Property Survey Reports are submitted by the division director (or the next higher level of management if the Government employee is the division director) to the Center SEMO within 30 working days of the discovery of loss, damage, destruction or theft of Government property. If the Survey Report is submitted late, unless granted an extension from the SEMO, a memorandum explaining why the property Survey Report was submitted late accompanies the Survey Report, signed by the director, and shall become a part of the Survey Report.

H.5.2 Recommended action(s) by the Property Survey Board should be completed within 90 working days of the division director's submittal. The 90 working days time limit is at the discretion of the Center SEMO and is extended or reduced as necessary. The Property Survey Board holds meetings as often as necessary to meet the required processing times.

H.5.3 Supporting documentation for Survey Report actions are retained by the Center SEMO. Therefore, all supporting documentation is forwarded to the SEMO by the Property Survey Officer or the Property Survey Board, or equivalent forum, for inclusion in the official survey files.

## **H.6 Investigation and Findings by the Property Survey Officer or Property Survey Board.**

Note: Property that is damaged or destroyed is investigated by two groups, the Safety Office per NASA Procedural Requirements for Mishap and Close Call Reporting, Investigating, and Recordkeeping, NPR 8621.1 to identify cause and prevent recurrence, and the Property Survey Board to identify establish responsibility. These are two independent and concurrent investigations. Completions of both investigations are

required.

H.6.1 The Property Survey Officer or Property Survey Board applies the definitions below to determine responsibility, culpability, and proximate cause when determining financial liability:

a. Establishing responsibility.

1. Supervisory responsibility is the supervisor's obligation to establish and enforce necessary administrative and security measures to ensure proper preservation and use of all Government property under his/her jurisdiction.
2. Personal responsibility is the obligation of an individual to exercise reasonable and prudent actions to properly use, care for, safeguard and properly dispose of all Government property in their physical possession. It applies to all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

b. Culpability.

1. Before an employee(s) can be held financially accountable, the facts should show that they, through negligence or willful misconduct, failed in their responsibility involving the care of the Government property.
2. Simple negligence is the failure or omission to observe, for the protection of Government interests, that degree of care, precaution, and vigilance that an ordinarily prudent person in the same or similar situation would exercise to protect Government property from loss, damage, destruction, or theft.
3. Gross negligence is the intentional failure to safeguard Government property in reckless disregard of the consequences to the Government property.
4. However, an employee is held financially accountable when it is determined that the loss, damage, destruction, or theft of the Government property was the result or the outcome of willful misconduct or negligence. This includes, but is not limited to, the following: deliberate misuse; unauthorized use (e.g. use of property for private business purposes); improper authorization of use (e.g. uses of property by spouse for private business purposes or use by children for school/homework); or related to failure to comply with property pass or loan procedures.

c. Proximate cause. Before holding an employee financially accountable for a loss to the Government, the facts shall clearly show that the employee's conduct was the "proximate" cause of the loss, damage, destruction, or theft of the Government property. That is, the employee's acts or omissions were the cause that, in a natural and continuous sequence, unbroken by a new cause, produced the loss, damage, destruction, or theft and without which the loss damage, destruction, or theft would not have occurred.

H.6.2 Each Property Survey Report is fully investigated and the written findings are made by the Property Survey Officer or Property Survey Board as to the facts concerning the loss, damage, destruction, or theft of the Government property. Such findings include the extent or absence of personal responsibility, including findings as to whether the loss, damage, destruction, or theft resulted from negligence, misuse, or misconduct on the part of the employee. All evidence, testimony, or other information considered during the investigation is clearly and properly documented.

H.6.3 If the loss, damage, destruction, or theft of Government property is found to have resulted from negligence, or willful misconduct on the part of the employee and financial liability is recommended, the Property Survey Officer or Property Survey Board consults with the Office of the Chief Counsel prior to forwarding proposed findings and recommendations to the Government employee.

H.6.3.1 When the employee is an onsite contractor whose contract operates under the IAGP clause, the survey should be addressed with the respective CO for recommendation (See Section H.8).

H.6.4 The Property Survey Officer or Property Survey Board determines the reimbursable amount (See Section H.10.4) when Government employee it being recommended financial accountable for lost, damaged, destroyed, or stolen Government property due to their negligence or willful misconduct, and which their negligence or willful misconduct was the proximate cause for the loss, damage, destruction, or theft.

H.6.4.1 After consulting with the Office of the Chief Counsel or Office of the General Counsel, the Property Survey Officer or Property Survey Board sends written notification and proposed findings and recommendations to the Government employee in question and affords such individual the opportunity to present a written statement of the facts concerning the loss, damage, destruction, or theft of the Government property. A copy is also forwarded to the cognizant division director.

H.6.4.2 A written notification of findings and recommendations is sent to the individual. The notification shall be sent by certified mail, if the individual has retired, or is no longer employed by the Agency. The notification shall become a part of the Survey Report.

H.6.4.3 The written notification to the individual sent by the Property Survey Officer or Property Survey Board, shall inform the individual, he or she has 15 working days from the date of receipt to respond to the findings and recommendations.

H.6.4.4 If the individual submits a written statement relative to the facts surrounding the loss, damage, destruction, or theft of the Government property, the individual's written statement shall become part of the Survey Report.

H.6.4.5 If the individual fails to submit a written statement within the specified time, the Property Survey Officer, or Property Survey Board, shall continue to process the Survey Report.

H.6.5 The Property Survey Board holds meetings as required, and all actions shall be documented in written minutes. These minutes, in addition to the statements included in the Survey Reports, shall constitute part of the investigation record.

## **H.7 Recommendations by the Property Survey Officer or the Property Survey Board for Government Employees.**

H.7.1 On the basis of the investigation and findings, the Property Survey Officer or Property Survey Board shall make recommendations to the division director (or the next higher level of management if the Government employee is the division director) concerning whether the Government employee shall:

H.7.1.1 Be held financially accountable and responsible for the loss, damage, destruction, or theft of the Government property. Prior to this determination, the Property Survey Officer or Property Survey Board shall have the Office of the Chief Counsel review and concur with the Survey Report.

H.7.1.2 Be disciplined pursuant to NPR 3752.1, Disciplinary and Adverse Actions. Prior to recommending disciplinary action against a Government employee for the loss, damage, destruction, or theft of Government property, the Property Survey Officer or Property Survey Board coordinates the recommendation with the Office of Human Resources, and the Office of the Chief Counsel reviews the Survey Report for concurrence. It is the responsibility of the Employee Relations Specialist, in conjunction with the Office of the Chief Counsel, to assist the supervisor in the proposal and initiation of any disciplinary action against a Government employee. H.7.1.3 Be relieved from accountability and responsibility for the loss, damage, destruction, or theft of the Government property.

H.7.2 Recommend specific corrective or preventive action to reduce the probability of recurrence.

## **H.8 Recommendations by the Property Survey Officer or the Property Survey Board for NASA Contractors Operating under the IAGP Clause.**

H.8.1 Prior to recommending that a NASA contractor, who operates under the IAGP clause be held financially accountable for the loss, damage, destruction, or theft of Government property, the Property Survey Officer or Property Survey Board consults with the Office of the Chief Counsel for review and concurrence with the Survey Report.

H.8.2 On the basis of the investigation and findings, the Property Survey Officer or Property Survey Board makes one of the following recommendations and refers the survey to the CO for further action:

H.8.2.1 That the contractor be held financially accountable and responsible for the loss, damage, destruction, or theft of Government property, and the CO recovers the value of the lost, damaged, destroyed, or stolen Government property, in accordance with the FAR.

H.8.2.2 That the contractor be relieved from accountability and responsibility for the loss, damage, destruction, or theft of Government property.

H.8.3 The Property Survey Officer or the Property Survey Board also recommends specific corrective or preventive action to reduce the probability of recurrence.

## **H.9 Approvals by Property Survey Officer**

H.9.1 The Property Survey Officer reviews all survey reports and related evidence and returns survey reports to the Property Survey Board for further information or analysis, if needed. The Property Survey Officer has final approval authority for all survey reports.

H.9.2 Once a survey report is approved by the Property Survey Officer, the Property Survey Officer or Property Survey Board ensures that the following actions are accomplished:

H.9.2.1 The specific corrective or preventive action set forth in the Survey Report is taken or the reason for rejection (See Section H.10.6), is documented by the appropriate organizations and/or offices.

H.9.2.2 The Center management is fully informed of the implementation of all recommendations concerning specific corrective or preventive action arising from the survey process.

H.9.2.3 Complete documentation on the loss, damage, destruction, or theft is forwarded to the SEMO for retention and appropriate distribution, as defined in this section.

## **H.10 Disposition of Survey Reports**

H.10.1 Recommendation shall be made by the Property Survey Officer or Property Survey Board for the loss, damage, destruction, or theft of Government property: for a NASA contractor operating under the IAGP clause. The Government CO:

H.10.1.1 Determines the appropriate corrective action to take for the loss, damage, destruction, or theft of the Government property.

H.10.1.2 Returns the completed Survey Report to the Property Survey Officer, or the Property Survey Board and the SEMO once the determination has been made.

H.10.2 The Division Director (or the next higher level of management if the Division Director is the Government employee being held accountable), shall adopt the recommendations of the Property Survey Officer or Property Survey Board (See Section H.10.3) that a Government employee be held financially accountable for the loss, damage, destruction, or theft of Government property in consultation the Center's Chief Counsel (or the Office of the General Counsel, NASA Headquarters).

### **H.10.3 Recommendation to Hold Employee Financially Responsible Adopted**

H.10.3.1 The division director (or the next higher level of management if the Government employee is the division director), requests collection actions be taken for the loss, damage, destruction, or theft of the Government property with the Center Finance Officer in accordance with the recommendations. The Division Director ensures that a copy of the request is provided to the Property Survey Officer or Property Survey Board, and the SEMO.

H.10.4 The Center Financial Officer applies the following standards in determining the amount of liability:

H.10.4.1 For lost, destroyed, or stolen Government property, the amount of liability is limited to the depreciated value (acquisition cost, less depreciation) of the property; or fair market value, whichever is less.

H.10.4.2 For damaged Government property, the amount is the lesser of the following: the actual cost to the Government to restore the property to the same condition it was in immediately preceding the damage or the depreciated value (acquisition cost, less depreciation) of the property.

H.10.4.3 The amounts found owing to the Government as a result of the loss, damage, destruction, or theft may be voluntarily remitted by the Government employee upon the request of the Financial Office or may be collected by administrative offset, pursuant to applicable regulations implementing 5 U.S.C. 5514, as amended.

### **H.10.5 Recommendation for Disciplinary Action Adopted**

H.10.5.1 If the findings and recommendations of the Survey Report indicate that the loss, damage, destruction, or theft of the Government property resulted from negligence, or willful misconduct on the part of the employee, disciplinary action is taken in accordance with NPR 3752.1, Disciplinary and Adverse Actions. Supervisors shall seek assistance and guidance from the Office of Human Resources with these matters, as early as possible. The Employee Relations Specialist coordinates the proposal and

initiation of any disciplinary action with the Office of the Chief Counsel.

#### H.10.6 Recommendation Rejected or Amended

H.10.6.1 If the division director (or the next higher level of management if the Government employee is the division director) amends or rejects the recommendations, he or she prepares a written statement fully explaining why the Property Survey Officer's or Property Survey Board's recommendations were not adopted.

H.10.6.2 The written statement is submitted to the Property Survey Officer or Property Survey Board and the SEMO. The SEMO includes this data in their report to the Center Director (See Section H.11).

### H.11 Reporting

H.11.1 The Center Property Survey Officer, in conjunction with the Chairperson, Property Survey Board, or designee, ensures that feedback is provided to the Center Director via a written report, at least annually, through official channels.

H.11.2 This report, at a minimum, includes the total number of Survey Reports processed at the Center during the reporting period, the total number of Survey Reports submitted by each directorate or equivalent organization, the acquisition cost, lost, damaged, destroyed, and/or stolen Government property, the total number of employees held financially accountable for each directorate or equivalent organization, and general information regarding significant actions, problems, or other matters of substance related to Survey Reports, including trends by organization, location, or equipment type.

H.11.3 The Center SEMO submits to the Director, LMD on an annual basis, at the end of each Fiscal Year (FY). The report is a summary of the following data:

- a. Number of Survey Reports initiated during the reporting period.
- b. Reasons for the loss (examples missing, office move, etc.), damage, destruction, or theft.
- c. Number of Survey Reports initiated due to physical inventories.
- d. Total acquisition cost for Survey Reports initiated due to physical inventories.
- e. Number of other Survey Reports during the period.
- f. Total acquisition cost for other Survey Reports initiated during the period.
- g. Total number of Survey Reports where employees were held financially accountable.
- h. Total dollar amount where employees were held financially accountable.
- j. Total number of Survey Reports where disciplinary action was taken.

H.11.3.1 The reports cutoff date is September 30 of each fiscal year. The reports are due to LMD no later than 30 work days after the cutoff date.

### H.12 Optional Use of Investigation Report of Motor Vehicle Accident (Standard Form 91)

H.12.1 To avoid duplication of investigation and reporting, NASA Headquarters and NASA Centers, including Component Facilities, are authorized to use the Investigation Report of Motor Vehicle Accident, Standard Form 91, in lieu of the Property Survey

Report, NASA Form 598, when a motor vehicle is damaged or destroyed in an accident.

H.12.2 Completed copies of Standard Form 91 received by the Supply and Equipment Management Officer are processed in the same manner as NASA Form 598.

H.12.3 Complete property survey procedures need not be followed when a motor vehicle is damaged and the cost of replacement or repair is less \$1,000; there is no bodily injury; and the Transportation Motor Vehicle Operations Officer, with approval of the Center's Chief Counsel Office, determines there is no negligence. However, a Standard Form 91 is submitted to the Center Transportation Motor Vehicle Operations Officer.

H.12.4 Accidents involving a NASA employee operating a GSA motor pool vehicle is investigated and reported as prescribed in Federal Property Management Regulations, Subpart 101-39.

### **H.13 Other Government Property Damage Reporting and Investigation Requirements**

H.13.1 The Property Survey Report process is applied in conjunction with (other damage reporting and investigations processes) the Mishap Reporting process as defined in NPR 8621.1. Mishap reporting and investigations determine mishap causes for the purpose of preventing their recurrence. The scope of mishaps, as defined in NPR 8621.1, includes damage to Government property. Any damage is reported to the Center Safety Office and recorded in the NASA IRIS that meets the criteria of a mishap or close call in accordance with the requirements of NPR 8621.1. An investigating authority is appointed, per NPR 8621.1, to determine the cause of damage. The Property Survey Officer or Property Survey Board performs their assessment after completion of the mishap investigation. The determination of the cost of damage, by the Property Survey Officer or Property Survey Board, is entered into IRIS.

H.13.2 In addition to the requirements in NPR 8621.1, the requirements in Aircraft Operations Management, NPR 7900.3, and Federal Property Management Regulations, FPMR 101-37.1105 also apply to mishaps involving damage or destruction to aircraft. The Supply and Equipment Management Officer obtains approved copies of the appropriate mishap reports to delete the aircraft from the NASA property records (in the cases of loss or destruction) and notifies the Center financial management organization of the adjustment to the records. In the case of damage, aircraft is not be deleted from the NASA property records, and the cost should not be adjusted if fully repaired. However, the Supply and Equipment Management Officer keeps copies of the approved mishap reports on file.

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